

# Funding Sources & Incentives

Many of the projects listed in the previous section will not require great amounts of additional funding. Other projects will be extremely expensive. For example, most of the work required to write new codes for a Heart of Navarre Overlay District will be covered in the normal Planning & Zoning Division budget. However, development of a regional stormwater plan and construction of that system will require significant new financial resources. The purpose of this section is to outline possible new sources of funding that could be used to cover the additional costs associated with implementing this plan. Revenue sources discussed in this section are only options; listing them here does not indicate Commission approval to institute new fees or taxes.

Much of this plan also hinges on new private investment in development and redevelopment throughout the Navarre Area. It is imperative that Santa Rosa County consider ways to attract the type of development desired by the Navarre community and ways to ensure that this development occurs in the targeted areas. This section also points out many possible incentives that will help Navarre reach the vision described in this plan.

## Funding Sources

### 9-A.1 Grant Programs

Grants for highway beautification, trail building, open space preservation, protection of historic resources and many others are available to Santa Rosa County, as well as to community organizations in Navarre. However, competition for these grants is very heated. In addition, most of these grant programs require some local match. Revenues from sources described later in this section can be used for this match, as can in kind services provided by County staff and community members. Santa Rosa County will actively pursue grants and other state and federal allocations to pay for many projects described in this plan. Examples of possible grant programs include, but are not limited to:

- Transportation Enhancement Grants
- Highway Beautification Grants
- Office of Greenways & Trails Grant Programs
- Florida Department of State Historic Resources Grant Programs

### 9-A.2 Special Assessments to Property Owners

Special Assessments are fees for a specific purpose that are included on the property owner's regular ad valorem tax bill. Recommendation 1.20 refers to a special assessment for properties in the Town Center District to pay for landscaping. In this case, the special assessment is akin to dues paid to a homeowners or condominium association to cover similar costs. The working

groups discussed a special assessment to pay for landscaping the medians on US98 and SR87. One of the first steps in implementation will be to match projects with potential funding sources after costs for those projects have been estimated.

### 9-A.3 Developer Exactions

Developer exactions are simply described as provision of resources by a private developer to cover the infrastructure needs created by new development. These exactions can include land dedications, monetary or in-kind exactions or impact fees. Impact fees will be discussed in a later subsection. Land dedication is already part of the Navarre Town Center Plan. The Land Preservation Options are, in essence, a land dedication exaction on a developer. Land dedication could also be used to extend the Navarre Nature Walk or create the park west of Holley-Navarre Middle School. Monetary or in-kind exactions are generally negotiated between the local government and the developer. The Incentives subsection will discuss some examples of possible negotiation points to encourage these types of exactions.

### 9-A.4 Private Funding of Development & Redevelopment

Many of the projects in this plan will be carried out and funded by private development. Construction of the Town Center District, development of Neighborhood Commercial and Multi-Family in targeted areas and addition of some sidewalks and bike paths will all be the responsibility of the private developer. This means that existing residents will not directly pay for implementation of these projects. The County recognizes, however, that incentives must exist to attract development and redevelopment when the cost of new projects will be increased by the recommendations in this plan. The Incentives Section will address this issue.

### 9-A.5 Impact Fees

Impact fees are assessments levied on new development to pay for off-site capital improvements that benefit the contributing development. They are a traditional source of revenue for many counties in Florida, but are not prevalent in the northwest portions of the State. The rules surrounding the use of impact fees are complicated. The major criticism of impact fees is that by the time the fees are collected, the infrastructure they are paying to improve has already been functioning at an unacceptable level for too long. The next subsection will describe another assessment program that shows more possibility than impact fees.

### 9-A.6 Impact Banks

An impact bank is a conglomeration of credits for parking, stormwater or other normal requirement of a commercial site plan. The bank is a physical location close to the targeted area from which developers can buy credits if they cannot meet the requirements for their project. For example, if the County acquired land in the Town Center District to construct parking lots, developers could buy credits from the County for a certain number of parking spaces to cover any deficiency they may have. (A certain number of parking spaces are required for every type of commercial business depending on the size of that business). Since the Plan recommends regional stormwater for the Town Center District, stormwater credits can also be packaged for purchase from an impact bank. If redevelopment of a parcel owning credits were to occur, credits would be transferred to the new

development. If additional credits were needed, those would have to be purchased, but any excess credits would be returned to the County.

#### **9-A.7 Creation of a Special Taxing District**

A Special Taxing District is very similar to the Special Assessments described in Section 2.0, but a taxing district is a defined geographic area where fees and taxes are collected for capital improvements and/or special services that clearly benefit the district. In addition, the creation of a special district allows both developed and vacant land to be assessed.

#### **9-A.8 Tax Increment Financing**

Tax Increment Financing (TIF) is a popular type of financing in redevelopment areas. Basically, the additional revenues from redevelopment of property are diverted into a special fund to either pay for capital improvements in a targeted area or to retire bonds issued to pay for capital improvements already completed. The taxes generated by the property prior to an increase in the value still go to the General Fund. Thus, the County overall is not losing any funding, it is just not seeing any increase in general ad valorem revenues or benefit from redevelopment.

#### **9-A.9 Loans from Other Funds**

In many community redevelopment areas, loans are made to a community redevelopment trust fund to pay for up front capital costs. As funds are recouped, through TIF, impact banks, special assessments etc..., those borrowed funds are repaid. Typically, these funds would come from the County's General Fund, but other special funds are also available for this financing program.

#### **9-A.10 Public-Private Partnerships**

In public-private partnerships, both public and private funding and assets are used as leverage to fund improvements. Monetary or in-kind contributions from either entity can be used to generate revenue. For example, the County can partner with private owners to use their property as collateral for bonds issued by the government to fund capital improvements. Various incentives can be used to encourage private owners to participate.

#### **9-A.11 Tourism Development / Bed Tax**

The Florida Department of Revenue defines a bed tax as a tax that must be collected from every person who "rents, leases, or lets for consideration any living quarters or accommodations in any hotel, motel, apartment house, multiple unit structure (e.g., duplex, triplex, condominium,) rooming house, tourist or mobile home court (trailer court, R.V. camp, etc.) single family dwelling, garage apartment, beach house or cottage, cooperatively owned apartment, condominium parcel or mobile home for a term of six months or less." Although the purpose of the Navarre Town Center Plan is to enhance the quality of life for Navarre residents, the community recognizes that the area is also a prime tourist location. Many of the improvements in this plan will not only enhance the community for its residents, but also entice tourist visits. Use of this tax in the Navarre area would take advantage of tourism and the revenue it can generate.

Although these revenue sources have been discussed independently, they can be used in concert with each other to creatively and effectively generate revenue. A few examples of how these revenue mechanisms can be combined have been provided, but many others exist. Santa Rosa County is committed to finding the best combination of revenue tools to fund the improvements outlined in this Plan.

## Incentives

The Navarre Community has clearly defined its vision for the community's future and its community identity. It is incumbent upon the County to find ways to assist Navarre in attracting the type of development and redevelopment that will flesh out this vision. In the following subsections, possible development incentives that will perform this service are described. Additional incentives will be developed throughout implementation.

**9-B.1** Town Center District- No landscape plan required for the Site Plan

**9-B.2** Town Center District- Traffic Concurrency review will be completed in house at the Planning & Zoning Department

**9-B.3** Heart of Navarre and Town Center Districts- A Developer's Guide will be produced to explain the vision and outline the additional rules and regulations.

**9-B.4** Heart of Navarre and Town Center Districts- A special staff contact will be designated to assist developers navigating the Site Plan review process in these districts.

**9-B.5** Heart of Navarre and Town Center Districts- Site Plan Review Fees will be waived for projects that set aside open space in the Navarre Area. A minimum amount of open space will be required. This amount will be determined during implementation.

**9-B.6** Navarre Area- There will be no charge for rezoning to Neighborhood Commercial or Multi-Family in the targeted areas.

**9-B.7** Navarre Area- Traffic review fees will be waived in exchange for recommended transportation improvements being completed off site. (sidewalks, bike lanes, striping)